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JUNE 2016 QUARTERLY ACTIVITIES REPORT

Manas Resources Limited ("Manas" or "the Company", ASX: MSR) is pleased to provide the following report on activities for the June 2016 Quarter.

SUMMARY

Victoria Gold Project (VGP) Heads of Agreement, Tanzania

- Binding Heads of Agreement to acquire the Victoria Gold Project in Tanzania
- Significant holding of approximately 350km² with identified areas of gold mineralisation and excellent exploration upside, strategically located near several established mining operations in the multi-million ounce Lake Victoria Gold Field
- US\$200,000 deposit paid
- Technical and legal due diligence underway following appointment of key consultants

Shambesai Gold Project, Kyrgyz Republic, Central Asia

- Discussions progressing with a number of parties on potential transactions for the funding or sale of Shambesai

Corporate

- Successful oversubscribed share placement raises gross proceeds of \$657,370
- Share Purchase Plan offer completed post Quarter-end with overwhelming shareholder support

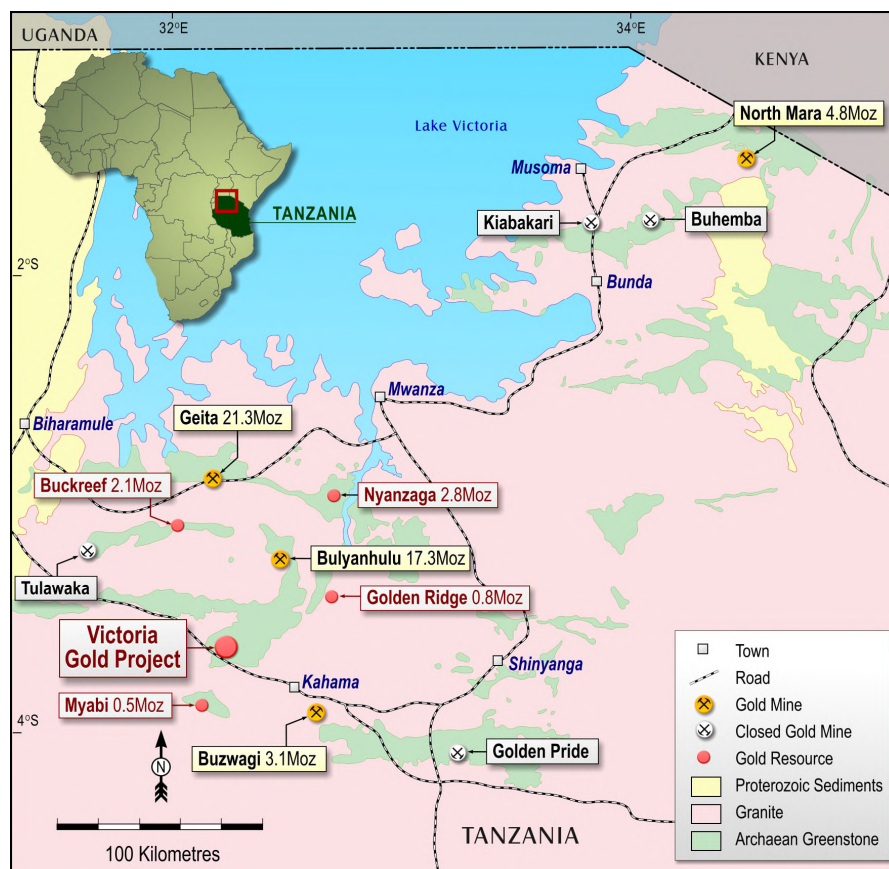
Victoria Gold Project (VGP) Heads of Agreement, Tanzania

Heads of Agreement

Late in the quarter, Manas announced that a binding Heads of Agreement (“HOA”) had been executed to purchase the Victoria Gold Project (“VGP”) in Tanzania from Cienega S.A.R.L (“Cienega”) for total consideration of US\$4.0M (“Transaction”) consisting of:

- US\$200,000 non-refundable deposit (“Non-Refundable Deposit”)
- US\$1.8 million in cash (“Cash Component”)
- US\$2.0 million in fully paid ordinary shares in Manas at an issue price of A\$0.002 per share (“Consideration Shares”).

The Transaction is conditional upon completion of due diligence to the satisfaction of Manas in its sole discretion, Cienega perfecting title to the VGP licenses and transferring the licenses clean and unencumbered to Manas, Manas undertaking a capital raising to fund the Cash Component of the Transaction consideration and other conditions precedent customary to a transaction of this nature, including shareholder and regulatory approvals.



Background

The VGP acquisition comprises a significant holding of approximately 350km² in the multi-million ounce Lake Victoria Gold Field and includes resource projects previously owned by international mining companies such as Barrick Gold (now Acacia Mining), AngloGold Ashanti and Resolute Mining. The VGP is located close to currently operating large scale gold mines and can be easily accessed by road from Mwanza, Tanzania’s second largest

city approximately 140 kilometres to the northeast. The operating gold mines in the region have contributed to a significant improvement in the regional road network over recent years.

The geology of the VGP is broadly similar to other Archaean greenstone-hosted gold deposits found throughout the world and comprises a number of east-west trending greenstone belts separated by granite-gneiss terrains.

Manas's preliminary due diligence investigations of the extensive exploration database has identified potential for shallow, high grade gold mineralisation amenable to open pit extraction to underpin a potential near-term production strategy. The VGP also has excellent exploration upside and is strategically located near several established mining operations in the Lake Victoria Gold Field. Once the VGP acquisition is completed, priority targets will be drill tested to establish the significance of shallow gold mineralisation identified from the previous exploration work.

Manas understands some of the VGP licenses are subject to joint venture agreements or pre-existing royalty arrangements, although it appears that the most prospective areas are available on a 100% basis. The final number, size and composition of the license package and impact to any underlying joint venture or royalty arrangements will be evaluated as part of the due diligence process.

Given the experience of Manas's board and management team in gold exploration and development in Africa, the VGP Project is a complementary acquisition for Manas and will enhance and diversify the Company's asset base.

Further details on the previous exploration work will be provided in coming weeks.

Next Steps

Manas is currently working with Cienega to finalise a timetable for the acquisition process and has commenced a detailed due diligence review of the extensive VGP database which consists of a wealth of information including:

- Detailed geophysical surveys which have outlined a number of significant regional features
- Extensive geochemical surveys
- Geological mapping
- Multiple campaigns of exploration drilling
- Metallurgical testwork
- Environmental studies

Manas has made a number of key appointments with respect to its technical due diligence program. CSA Global, an international geological and mining consultancy with extensive project experience in Tanzania and expertise in the evaluation of gold projects globally, has been engaged to conduct a review of the drillhole database and technical information, including previous resource models and development concepts. IMO Metallurgical Consultants has been engaged to review the previous metallurgical testwork.

In parallel with the technical due diligence program, Manas will complete legal due diligence with a view to completing the acquisition as soon as practicable.

Shambesai Gold Project (SGP), Kyrgyz Republic (MSR 100%)

The recent rise in the gold price and on-going political stability in Kyrgyzstan has seen a significant increase in interest by external parties in evaluating the potential of the Shambesai Gold Project (“Shambesai”). This has resulted in recent completion of four successful in-country due diligence visits. Manas is in on-going discussions with these groups in relation the funding or sale of Shambesai with the view to generating shareholder value in the near term.

Corporate

Following announcement of the VGP acquisition, a single tranche placement of 365,205,334 million ordinary shares at \$0.0018 was completed under the Company’s available placement capacity to raise gross proceeds of \$657,370. The placement, which settled on 30 June 2016, was partially used to fund the Non-Refundable Deposit for the VGP, will also fund due diligence costs and provide working capital, including for Shambesai.

On 30 June 2016, the Company announced its intention to undertake a Share Purchase Plan (“SPP”) to raise up to an additional \$550,000. Subsequent to Quarter-end, the SPP has closed oversubscribed and, in recognition of the support from shareholders, the Board accepted the oversubscriptions resulting in total proceeds of \$1.35 million from the SPP.

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Forward Looking Statements: Statements regarding Manas's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Manas's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Manas's will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Manas's mineral properties.

Manas Resources Limited - Company Overview

Manas Resources Limited is an Australian-based company with a Mineral Resource base of 1,184,000 ounces of gold at its 100% owned projects on the Tien Shan gold belt in the south west of the Kyrgyz Republic. The Company has completed a Bankable Feasibility Study, and a mining and development licence has been issued for the flagship technically low-risk and high-margin Shambesai Gold Project.

Summary of Mineral Resource and Reserve Estimates									
Reported according to JORC Category and Deposit									
Resource Category incl. Reserves	Shambesai			Obdilla			Total		
	Tonnes Mt	Grade g/t Au	Ounces	Tonnes Mt	Grade g/t Au	Ounces	Tonnes Mt	Grade g/t Au	Ounces
Measured	1.2	3.0	111,000				1.2	3.0	111,000
Indicated	6.4	2.7	556,000	6.3	1.8	353,000	12.7	2.3	909,000
Inferred	0.5	1.9	29,000	2.9	1.4	132,000	3.4	1.5	161,000
Total Resource	8.1	2.7	697,000	9.2	1.7	485,000	17.3	2.2	1,184,000
Proved	0.8	3.3	85,000				0.8	3.3	85,000
Probable	1.6	3.9	194,000				1.6	3.9	194,000
Total Reserve	2.4	3.7	279,000				2.4	3.7	279,000

Note: The Shambesai Mineral Resource was estimated within constraining wireframe solids based on a nominal lower cut-off grade of 0.2 g/t Au. The Mineral Resource is quoted from all blocks above a cut-off grade of 0.3 g/t Au for Oxide Resources and 0.75 g/t Au for Sulphide Resources. Low grade refers to blocks above cut-off and below 2.0 g/t Au, while High Grade refers to blocks above 2.0 g/t Au. Quoted Mineral Resources are inclusive of Proved and Probable Reserves at Shambesai. Differences may occur due to rounding.

The Shambesai Gold Project Mineral Resource was updated to comply with the JORC Code 2012 Edition reporting framework and the Company reported results on 5 December 2014. There was no change to the resource classification, quantities or grade since the Mineral Resource release in March 2013. The information in this release that relates to the Shambesai Gold Project Mineral Resource was first reported by the Company in compliance with JORC 2012 in a market release dated 5 December 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement dated 5 December 2014 and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed.

The information in this release that relates to the Shambesai Gold Project Ore Reserves was first reported by the Company in compliance with JORC 2012 in a market release dated 25 February 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement dated 25 February 2015 and that all material assumptions and technical parameters underpinning the ore reserves estimate continue to apply and have not materially changed.

The Mineral Resources information reported above in relation to the Obdilla Project was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Mineral Interests of the Manas Group at 30 June 2016

Licence	Licence Number	Registered Holder	Legal and Beneficial Interest
Tolubay	AR 2533 (Au-171-02)	CJSC Z-Explorer	100%
Isfairamsai	AP 235	CJSC Z-Explorer	100%
Djilginsai	AP 236	CJSC Z-Explorer	100%
Aksu	460 AP	CJSC Landmark	100%
Tashbulak	4188 AP	CJSC Landmark	100%
Savoyardy (Prospecting) Savoyardy (Exploration)	3718 AP (Au-87-04) 3719 AR (Au-87-04)	CJSC Savoyardy	100%
Shambesai Mining Permit	3164 AE	CJSC Z-Explorer	100%

Location – All mineral interests are held in the Kyrgyz Republic, Central Asia, primarily in the south of the country.

The registered holders are all wholly owned subsidiaries of Manas Resources Limited.

None of the mineral interests listed above are the subject of any farm-in / farm-out or joint venture arrangements. There have been no changes to mineral interests during the June 2016 quarter.